



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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S/45/060

January 3, 2002

Roy L. Stienmier, Chief Geologist
Holnam, Incorporated
4629 North Overland Trail
P.O. Box 1468
LaPorte, Colorado 80535-1468

Re: Transfer of Notice of Intention from Castle Rock Land and Livestock LC to Holnam, Inc., Small Mining Operations, Diatomics #1-8, S/045/048, Tooele County, Utah

Dear Mr. Stienmier:

On November 23, 2001, we received the completed Transfer of Notice of Intention of Small Mining Operations to transfer the Diatomics #1-8 small mining project located in Sections 6, 7, and 18, T6S, R7W, Tooele County, Utah from Castle Rock Land and Livestock LC to Holnam, Inc.

The Division Director signed and executed the transfer document on December 5, 2001, *which effectively transfers the responsibility of this mining operation and reclamation to you.* A copy of the transfer form is enclosed for your files. **You are now the official party responsible for all mining and reclamation obligations for this project.**

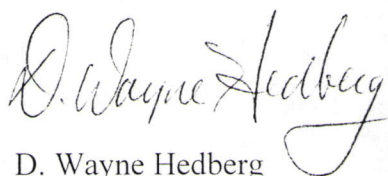
On September 25, 2001, Holnam, Inc. submitted a new Notice of Intention to Commence Small Mining Operations (SMO) for this project. A new file number (S/045/060) was assigned to this new notice. On October 26, 2001, we received a letter from Castle Rock Land and Livestock requesting that we release Castle Rock Land and Livestock and close their small mining file (S/045/048) and replace it with the SMO which Holnam had submitted. This transfer officially accomplishes this transaction.

By copy of this letter the Division hereby officially releases Castle Rock Land and Livestock from any further reclamation responsibilities at the Diatomics #1-8 site and file number S/045/048 is hereby officially closed and the notice retired. This project now falls under file number S/045/060.

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Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5286 or Tom Munson at 538-5321. Best of luck with your new mining venture.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: Executed Transfer form
cc: Christopher Robinson, Castle Rock Land & Livestock w/encl
File S/045/048
S45-60-trans.doc

Mike Fano. BLM - U-77778